

(iv) If the enrollee does not respond within the 30-day period specified in paragraph (e)(2)(ii), proceed in accordance with paragraphs (e)(1)(i) and (ii) of this section.

(3) *Data matching regarding income, family size and family composition.* If the Exchange identifies updated information regarding income, family size and composition through the data matching taken in accordance with paragraph (c)(2) of this section, the Exchange must—

(i) Follow procedures described in paragraph (e)(2)(i) and (ii) of this section; and

(ii) If the enrollee responds confirming the updated information or providing more up to date information, proceed in accordance with paragraphs (e)(1)(i) and (ii) of this section.

(iii) If the enrollee does not respond within the 30-day period specified in paragraph (e)(2)(ii) of this section, maintain the enrollee's existing eligibility determination without considering the updated information.

(f) *Effective dates.* (1) Except as specified in paragraphs (f)(2) or (3) of this section, the Exchange must implement changes resulting from a redetermination under this section on the first day of the month following the date of the notice described in paragraph (e)(1)(ii) of this section.

(2) The Exchange may determine a reasonable point in a month after which a change captured through a redetermination will not be effective until the first day of the month after the month specified in paragraph (f)(1) of this section. Such reasonable point in a month must be no earlier than the date described in § 155.420(b)(2).

(3) In the case of a redetermination that results in an enrollee being ineligible to continue his or her enrollment in a QHP through the Exchange, the Exchange must maintain his or her eligibility for enrollment in a QHP without advance payments of the premium tax credit and cost-sharing reductions, in accordance with the effective dates described in § 155.430(d)(3).

**§ 155.335 Annual eligibility redetermination.**

(a) *General requirement.* Except as specified in paragraph (1) of this sec-

tion, the Exchange must redetermine the eligibility of an enrollee in a QHP through the Exchange on an annual basis.

(b) *Updated income and family size information.* In the case of an enrollee who requested an eligibility determination for insurance affordability programs in accordance with § 155.310(b), the Exchange must request updated tax return information, if the enrollee has authorized the request of such tax return information, and data regarding MAGI-based income as described in § 155.320(c)(1) for use in the enrollee's eligibility redetermination.

(c) *Notice to enrollee.* The Exchange must provide an enrollee with an annual redetermination notice including the following:

(1) The data obtained under paragraph (b) of this section, if applicable; and

(2) The data used in the enrollee's most recent eligibility determination; and

(3) The enrollee's projected eligibility determination for the following year, after considering any updated information described in paragraph (c)(1) of this section, including, if applicable, the amount of any advance payments of the premium tax credit and the level of any cost-sharing reductions or eligibility for Medicaid, CHIP or BHP.

(d) *Timing.* (1) For redeterminations under this section for coverage effective January 1, 2015, the Exchange must satisfy the notice provisions of paragraph (c) of this section and § 155.410(d) through a single, coordinated notice.

(2) For redeterminations under this section for coverage effective on or after January 1, 2017, the Exchange may send the notice specified in paragraph (c) of this section separately from the notice of annual open enrollment specified in § 155.410(d), provided that—

(i) The Exchange sends the notice specified in paragraph (c) of this section no earlier than the date of the notice of annual open enrollment specified in § 155.410(d); and

(ii) The timing of the notice specified in paragraph (c) of this section allows a reasonable amount of time for the enrollee to review the notice, provide a

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timely response, and for the Exchange to implement any changes in coverage elected during the annual open enrollment period.

(e) *Changes reported by enrollees.* (1) The Exchange must require an enrollee to report any changes with respect to the information listed in the notice described in paragraph (c) of this section within 30 days from the date of the notice.

(2) The Exchange must allow an enrollee, or an application filer, on behalf of the enrollee, to report changes via the channels available for the submission of an application, as described in § 155.405(c)(2).

(f) *Verification of reported changes.* The Exchange must verify any information reported by an enrollee under paragraph (e) of this section using the processes specified in § 155.315 and § 155.320, including the relevant provisions in those sections regarding inconsistencies, prior to using such information to determine eligibility.

(g) *Response to redetermination notice.* (1) The Exchange must require an enrollee, or an application filer, on behalf of the enrollee, to sign and return the notice described in paragraph (c) of this section.

(2) To the extent that an enrollee does not sign and return the notice described in paragraph (c) of this section within the 30-day period specified in paragraph (e) of this section, the Exchange must proceed in accordance with the procedures specified in paragraph (h)(1) of this section.

(h) *Redetermination and notification of eligibility.* (1) After the 30-day period specified in paragraph (e) of this section has elapsed, the Exchange must—

(i) Redetermine the enrollee's eligibility in accordance with the standards specified in § 155.305 using the information provided to the individual in the notice specified in paragraph (c), as supplemented with any information reported by the enrollee and verified by the Exchange in accordance with paragraphs (e) and (f) of this section;

(ii) Notify the enrollee in accordance with the requirements specified in § 155.310(g); and

(iii) If applicable, notify the enrollee's employer, in accordance with the requirements specified in § 155.310(h).

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(2) If an enrollee reports a change with respect to the information provided in the notice specified in paragraph (c) of this section that the Exchange has not verified as of the end of the 30-day period specified in paragraph (e) of this section, the Exchange must redetermine the enrollee's eligibility after completing verification, as specified in paragraph (f) of this section.

(i) *Effective date of annual redetermination.* The Exchange must ensure that a redetermination under this section is effective on the first day of the coverage year following the year in which the Exchange provided the notice in paragraph (c) of this section, or in accordance with the rules specified in § 155.330(f) regarding effective dates, whichever is later.

(j) *Renewal of coverage.* If an enrollee remains eligible for coverage in a QHP upon annual redetermination, such enrollee will remain in the QHP selected the previous year unless such enrollee terminates coverage from such plan, including termination of coverage in connection with enrollment in a different QHP, in accordance with § 155.430.

(k) *Authorization of the release of tax data to support annual redetermination.*

(1) The Exchange must have authorization from an enrollee in order to obtain updated tax return information described in paragraph (b) of this section for purposes of conducting an annual redetermination.

(2) The Exchange is authorized to obtain the updated tax return information described in paragraph (b) of this section for a period of no more than five years based on a single authorization, provided that—

(i) An individual may decline to authorize the Exchange to obtain updated tax return information; or

(ii) An individual may authorize the Exchange to obtain updated tax return information for fewer than five years; and

(iii) The Exchange must allow an individual to discontinue, change, or renew his or her authorization at any time.

(l) *Limitation on redetermination.* To the extent that an enrollee has requested an eligibility determination for insurance affordability programs in

accordance with § 155.310(b) and the Exchange does not have an active authorization to obtain tax data as a part of the annual redetermination process, the Exchange must notify the enrollee in accordance with the timing described in paragraph (d) of this section. The Exchange may not proceed with the redetermination process described in paragraphs (c) and (e) through (j) of this section until such authorization has been obtained or the enrollee discontinues his or her request for an eligibility determination for insurance affordability programs in accordance with § 155.310(b).

**§ 155.340 Administration of advance payments of the premium tax credit and cost-sharing reductions.**

(a) *Requirement to provide information to enable advance payments of the premium tax credit and cost-sharing reductions.* In the event that the Exchange determines that a tax filer is eligible for advance payments of the premium tax credit, an applicant is eligible for cost-sharing reductions, or that such eligibility for such programs has changed, the Exchange must, simultaneously—

(1) Transmit eligibility and enrollment information to HHS necessary to enable HHS to begin, end, or change advance payments of the premium tax credit or cost-sharing reductions; and

(2) Notify and transmit information necessary to enable the issuer of the QHP to implement, discontinue the implementation, or modify the level of advance payments of the premium tax credit or cost-sharing reductions, as applicable, including:

(i) The dollar amount of the advance payment; and

(ii) The cost-sharing reductions eligibility category.

(b) *Requirement to provide information related to employer responsibility.* (1) In the event that the Exchange determines that an individual is eligible for advance payments of the premium tax credit or cost-sharing reductions based in part on a finding that an individual's employer does not provide minimum essential coverage, or provides minimum essential coverage that is unaffordable, within the standard of section 36B(c)(2)(C)(i) of the Code, or

does not meet the minimum value requirement specified in section 36B(c)(2)(C)(ii) of the Code, the Exchange must transmit the individual's name and taxpayer identification number to HHS.

(2) If an enrollee for whom advance payments of the premium tax credit are made or who is receiving cost-sharing reductions notifies the Exchange that he or she has changed employers, the Exchange must transmit the enrollee's name and taxpayer identification number to HHS.

(3) In the event that an individual for whom advance payments of the premium tax credit are made or who is receiving cost-sharing reductions terminates coverage from a QHP through the Exchange during a benefit year, the Exchange must—

(i) Transmit the individual's name and taxpayer identification number, and the effective date of coverage termination, to HHS, which will transmit it to the Secretary of the Treasury; and,

(ii) Transmit the individual's name and the effective date of the termination of coverage to his or her employer.

(c) *Requirement to provide information related to reconciliation of advance payments of the premium tax credit.* The Exchange must comply with the requirements specified in section 36B(f)(3) of the Code regarding reporting to the IRS and to taxpayers.

(d) *Timeliness standard.* The Exchange must transmit all information required in accordance with paragraphs (a) and (b) of this section promptly and without undue delay.

**§ 155.345 Coordination with Medicaid, CHIP, the Basic Health Program, and the Pre-existing Condition Insurance Plan.**

(a) *Agreements.* The Exchange must enter into agreements with agencies administering Medicaid, CHIP, and the BHP as are necessary to fulfill the requirements of this subpart and provide copies of any such agreements to HHS upon request. Such agreements must include a clear delineation of the responsibilities of each program to—

(1) Minimize burden on individuals;